

NEWS RELEASE

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Macoupin County Man Charged with Bankruptcy Fraud

Springfield, Illinois -- A federal grand jury has charged a Bunker Hill, Illinois man with bankruptcy fraud, as announced by Jan Paul Miller, United States Attorney for the Central District of Illinois. Edward L. Kaufman, age 40, is charged with concealing assets and making a false statement in relation to bankruptcy proceedings. Kaufman made his initial appearance today before U.S. Magistrate Judge Byron Cudmore. Arraignment was continued to January 20, 2005, at 9:30 a.m. A federal grand jury returned the indictment charging Kaufman in December 2004.

The indictment alleges Kaufman filed for bankruptcy under Title 11, Chapter 12, on September 30, 1998. The U.S. Trustee appointed a Chapter 12 Trustee to administer the case and determine what assets in the bankruptcy estate could be used to generate income to fund a plan to pay Kaufman's creditors.

The indictment alleges that when Kaufman signed and filed his bankruptcy schedules of debts and assets in October 1998, he failed to include John Deere and Company as a secured creditor and did not list a John Deere combine and corn head as assets. At the time of the bankruptcy filing, Kaufman allegedly owed John Deere a principal balance of approximately \$61,587.80 for the farm implements. Further, the indictment alleges Kaufman did not advise John Deere or the Chapter 12 Trustee that the corn head was sold at auction in Sikeston, Missouri, on or about August 10, 1998, for approximately \$10,250. The indictment further alleges Kaufman failed to inform the Chapter 12 Trustee or John Deere that on or about

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October 5, 1998, the combine was sold at auction, also in Sikeston, Missouri, for approximately \$40,490. Based on Kaufman's alleged conduct, his bankruptcy discharge was denied on November 21, 2002, and his case was dismissed on January 8, 2003.

Members of the public are reminded that an indictment is merely an accusation; the defendant is presumed innocent unless proven guilty.

If convicted, each offense, making a false statement under penalty of perjury and concealing assets in relation to a bankruptcy proceeding, carries a maximum penalty of no more than five years imprisonment and a \$250,000 fine

The charge is the result of a referral by Bankruptcy Judge Larry Lessen and an investigation by the Federal Bureau of Investigation in coordination with the Central Illinois Bankruptcy Fraud Working Group. The Bankruptcy Fraud Working Group, organized nearly two years ago, includes representatives of the U.S. Attorney's Office for the Central District of Illinois, U.S. Trustee's Office for Region 10, Federal Bureau of Investigation, Secret Service, U.S. Postal Inspection Service, the Criminal Investigation Division of the Internal Revenue Service, the Department of Health and Human Services and the Department of Housing and Urban Development. Assistant U.S. Attorney Esteban F. Sanchez is prosecuting the case.

"It is critical that the integrity of the bankruptcy system be preserved and the commitment of U.S. Attorney Miller and the work of the Central Illinois Bankruptcy Fraud Working Group are an integral part of this process," stated U.S. Trustee Region 10, Nancy J. Gargula. The United States Trustee Program is a component of the United States Department of Justice charged with overseeing the administration of bankruptcy cases and protecting the integrity and ensuring the effective operation of the Nation's bankruptcy system.

U.S. Attorney Miller said, "The bankruptcy fraud working group represents a united, proactive effort to preserve the integrity of the federal bankruptcy system. The U.S. Attorney's Office is committed to this partnership to ensure that those who seek to defraud or abuse the system face aggressive prosecution and penalties."